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SUBJECT: CONGRESS SET TO WIN IN HARYANA BUT THE VICTORY  
MARGIN IS NOT CLEAR

Classified By: PolCouns Geoff Pyatt, Reasons 1.4 (B, D)

11. (C) Summary: Pundits, journalists, and politicians agree that Congress will emerge victorious in Haryana's February 3 Legislative Assembly elections, winning from 60 to 80 seats in the 90 member Assembly. Growing disgust with the misrule and corruption of the ruling Indian National Lok Dal (INLD) has caused its supporters to abandon it in favor of Congress. The BJP has no base in Haryana and is expected to win only 5-8 seats. With the outcome not in doubt, the outstanding questions are the Congress margin of victory and who will become Chief Minister. The Congress capture of another state will represent the latest in an unbroken string of Congress/United Progressive Alliance (UPA) victories. If it also wins in Jharkhand and Bihar (septel), the UPA position could be strong enough to ensure a full five-year term. End Summary.

Press Sees a Congress Wave  
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12. (U) Haryana State Legislative Assembly elections will take place on February 3, with votes counted and results to be announced on February 27. On January 25 and 27-28, Poloff traveled throughout the state meeting with local leaders of Congress, the INLD and the BJP, as well as several journalists for a first-hand look at the campaign.

13. (U) Pundits and the press are unanimous in predicting a Congress victory. The current INLD government, headed by Haryana Chief Minister Chautala, is locked in a three-way contest against Congress and the BJP. Formerly allied with the BJP in the NDA, the INLD parted company just before the May 2004 national polls. In that contest, the INLD lost all five of its Lok Sabha seats to Congress, with Congress winning nine of Haryana's 10 parliamentary seats. On January 27, BJP Chief L.K. Advani ruled out a future alliance with the INLD, saying that "We will never tie up with this party" as it "has worked against the BJP throughout its term in the state." The BJP, which is running in all 90 constituencies, is telling voters that regional parties cannot deliver and they should only vote for national parties.

14. (U) Although a Congress victory is all but certain, deep divisions within the state party have come to the fore in this campaign. There are at least six Congress contenders to become Chief Minister after the election, and four head their own factions in the Legislative Assembly. Competition for Congress seats was intense and at least 12 disappointed ticket seekers broke ranks with their party and are running as independents. On January 27, the Congress leadership suspended the "rebels" for six years. The CM contenders have called for party unity, saying that they are leaving the decision of who will become CM to Sonia Gandhi and the party leadership.

15. (U) Congress released a manifesto on January 23, but most agree that it has no program for Haryana. There is little dispute that the INLD's poor governance and development record has brought about its downfall. A "Hindustan Times" reporter who accompanied CM Chautala on the campaign trail on January 26 reported that his "famed oratory skills...seemed to be missing, and the (old) excitement with which the crowds thronged him wherever he went is also not to be seen."

Views of Local Journalists  
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16. (C) Poloff met with four local journalists who agreed that a Congress victory is all but inevitable, and that it is not clear who will become the next CM, or what the margin of victory will be. The "India Today" correspondent opined that if the Congress victory margin is small (60 seats or fewer), it is likely to name former CM and state Congress Chief Bhajan Lal, who is acceptable to the state's dominant Jat (farmer) caste. However, if the margin is larger than 60 seats, Sonia Gandhi will be tempted to name her own CM. He noted that Haryana is important to Congress for its proximity to Delhi and as a major site for foreign investment. Congress must demonstrate that it can deliver good governance in this crucial state, he stressed.

17. (C) A "Tribune" correspondent confirmed that there was considerable resentment in Haryana against Chautala and the INLD. Although he delivered some development, Chautala was

arrogant, attempted to concentrate power within his family at the expense of his supporters, and would make no concessions to his BJP partners. The correspondent predicted that Congress "rebels" would have no significant impact on the election outcome, and that Sonia Gandhi would select Haryana Dalit leader and Minister of State for Urban Employment and Poverty Alleviation Kumari Selja as CM to solidify the support of non-Jats behind Congress. He opined that the INLD is likely to be reduced to 15 seats from its present 47. If it drops below that, he noted, the party risks slipping into irrelevance.

#### Views of Political Leaders

18. (C) Two INLD leaders acknowledged that Congress was ahead, but refused to concede defeat. While their party has a strong record on development, they insisted, leaving the NDA had been a mistake that has hurt its electoral chances. They noted that Congress was the main enemy, as the BJP poses no threat due to its lack of organization and a local base. They predicted that the BJP will win "less than eight" of Haryana's 90 seats.

19. (C) Two Congress leaders lamented the "arrogance" of their party, which they felt would reduce the victory margin. If it were not for the rampant factionalism and ambition of their leaders, the party could have won 85 seats, they maintained. Discipline broke down and the party leadership gave seats to their relatives, alienated and angering veteran Congressmen. They predicted that the BJP rather than the INLD would benefit from Congress infighting, as sentiment in Haryana decidedly favors national parties. Another Congress leader dismissed stories of "rebel" candidates, saying that most of those that won would immediately apply to rejoin Congress in any case.

10. (C) Both leaders pointed out serious political errors committed by Chautala, including his decision to withdraw subsidies on water and power for farmers, and his subsequent failure to provide either. Chautala also ordered police to fire on angry farmers, who were protesting that they were being forced to pay for non-existent water and power. By ordering the police to harass his political opponents, Chautala also allowed crime to go unchecked until the state was under a "reign of fear," as one put it. Chautala also distributed lucrative state jobs amongst his many relatives and supporters.

11. (C) A BJP leader made it clear that while his party did not expect to do well in the contest, it had a long-term plan. The BJP had little or no following in the state, as it had always allowed the INLD to dominate, so the BJP would henceforth operate independently, would seek no allies, and would use this election as an exercise to build up strength and prepare for the next contest. He predicted that in five years the INLD would be reduced to insignificance, and that future contests would be two-way races between the BJP and Congress.

#### Comment

12. (C) Congress leaders are clearly elated at the prospect of capturing another state from the NDA, coming closer to regaining its traditional base in North India, and dealing a blow to the BJP in its Hindi heartland. Congress already has a strong hold on Uttaranchal, Punjab, Himachal Pradesh and Delhi, and is likely to capture Jharkhand and Haryana in this month's elections, while Bihar should remain in the hands of UPA ally Laloo Prasad Yadav (septel). This would leave only Madhya Pradesh, Rajasthan and Chhattisgarh in BJP control, and hand the party another in what has become a string of defeats. An energized Congress is likely to set its sites next on Rajasthan and Uttar Pradesh, where it sees growing prospects for a return to power.

12. (C) Haryana has been a bellwether for Indian national politics, as it was among the first states to see large numbers of legislators defect to the opposition, and the rise of regional parties. This election could indicate the beginning of another trend, as a severe INLD defeat could be an early sign that the Indian electorate has begun to tire of the parochialism and corruption of the regional parties and is beginning to return to the national parties. Should Congress and its UPA allies win a clean sweep in all three states in this election, as many anticipate, it could also make it much more likely that this government will remain in power for its full five-year term, and should further strengthen Congress' hand within its fractious coalition -- opening space for progress on issues of concern to the US.

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